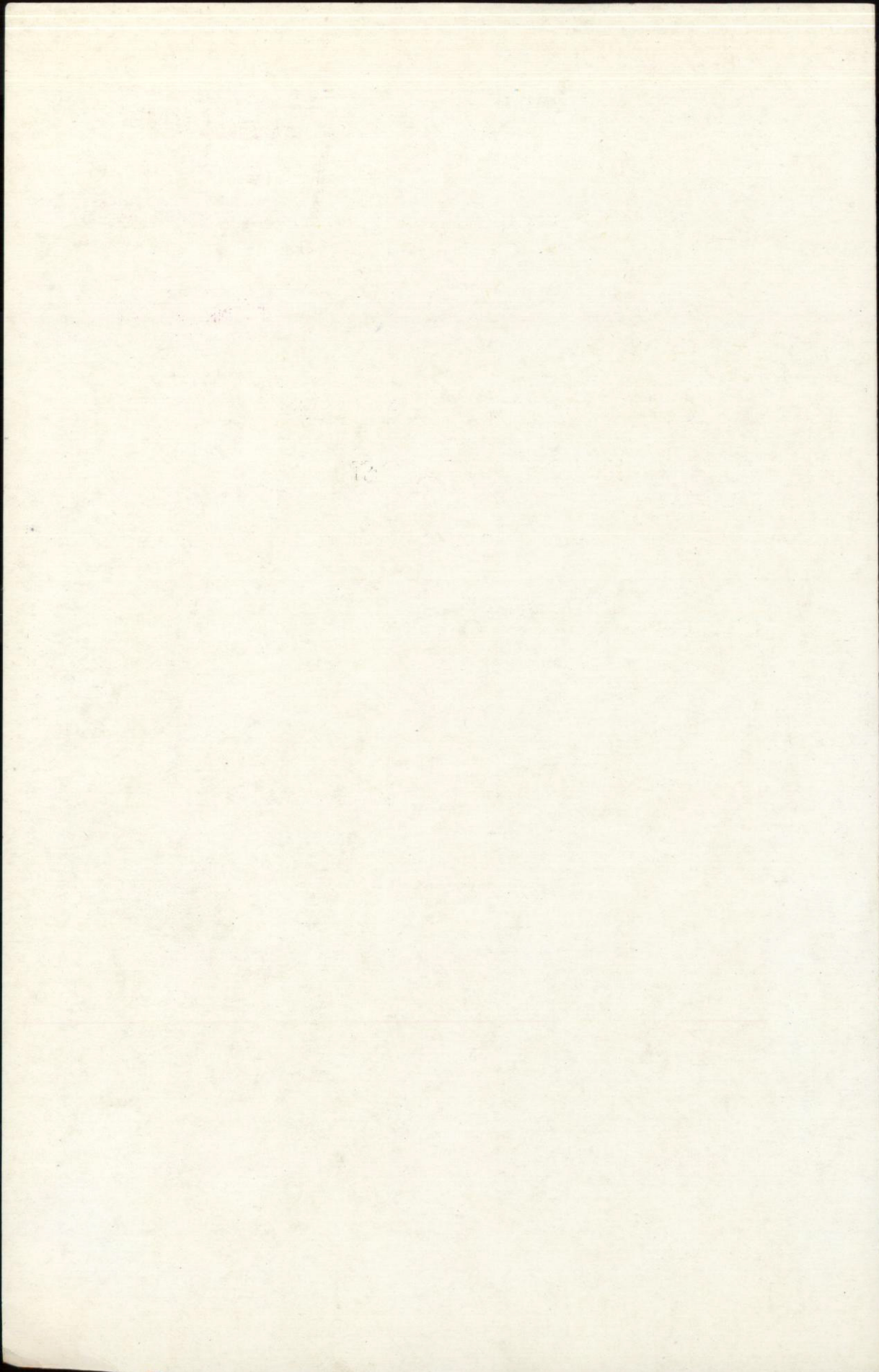
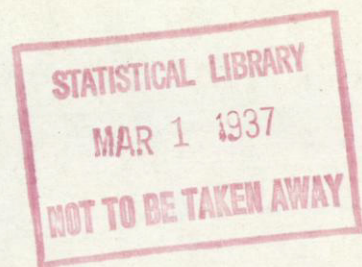


ANNUAL REPORT
OF
THE GOODYEAR TIRE & RUBBER
COMPANY OF CANADA, LIMITED
NEW TORONTO, ONTARIO

1936







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CORPORATION FILE



The Goodyear Tire that
meets *and beats* the
Faster Starts, Higher
Speeds, Quicker Stops
of To-day's Traffic!

THE G³ ALL-WEATHER TIRE FOR AUTOMOBILES

**ONE OF 19 DIFFERENT
GOODYEAR TIRES FOR
CARS, TRUCKS, TRACTORS**

ANNUAL REPORT

to the Shareholders of

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED

For the Fiscal Year ended December 31st, 1936



NEW TORONTO, ONTARIO

BOARD OF DIRECTORS

P. W. LITCHFIELD

Chairman
AKRON

A. G. PARTRIDGE
TORONTO

P. A. THOMSON
MONTREAL

C. H. CARLISLE
TORONTO

C. A. STILLMAN
AKRON

J. E. McALLISTER
TORONTO

C. SLUSSER
AKRON

EXECUTIVE and FINANCE COMMITTEE

C. H. CARLISLE

Chairman

P. W. LITCHFIELD

A. G. PARTRIDGE

R. C. BERKINSHAW

EXECUTIVE OFFICERS

A. G. PARTRIDGE

President

P. A. THOMSON
Vice-President

R. C. BERKINSHAW
General Manager
and Treasurer

O. H. BARRETT
Secretary
and General Counsel

D. C. CARLISLE
Comptroller

W. H. JEEVES
Assistant Treasurer


H. A. TIPPLE
Assistant Secretary and
Assistant Comptroller

B. W. LANG
Assistant Comptroller

R. W. RICHARDS
General Sales Manager

E. H. KOKEN
General Superintendent

R. P. D. GRAHAM
Manager, Export Department



ANNUAL REPORT OF THE DIRECTORS

of

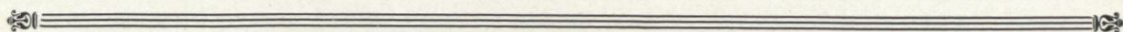
The Goodyear Tire & Rubber Company
of Canada, Limited

New Toronto, February 3rd, 1937.

TO THE SHAREHOLDERS —

Your Directors submit herewith a Consolidated Balance Sheet of THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED, and its subsidiary companies, with your auditors' report thereon, which sets forth the results of operations for the year ended December 31st, 1936 and the present financial position of the combined companies.

The combined operating profits for the year were \$2,068,276.01 after charging all manufacturing, selling and administrative expenses and income taxes, but before providing for depreciation; from this amount there was set aside a provision of \$551,931.97 for depreciation of buildings and equipment, leaving a net profit for the year of \$1,516,344.04 which is equivalent to \$4.73 a share on the 257,260 shares of Common stock outstanding, as compared with \$4.12 a share earned in the year 1935, an increase of \$71,145.33. As in former years, the profits as shown by the Annual Report include the profits on export business for the previous fiscal year of 1935 but on the other hand they do not include the accrued profits on export business for 1936.



The following summary sets out the manner in which the profits for the past year have been applied —

Consolidated net profits for the year.....	\$1,516,344.04
Add—Provision for depreciation.....	551,931.97
Profits before providing for depreciation..	<u>\$2,068,276.01</u>

DISPOSITION OF FUNDS

Dividends on 5% Preferred stock.....	\$300,000.00	
Dividends on Common stock.....	<u>643,150.00</u>	\$ 943,150.00
Expended for additions to plant and equipment (net)		274,660.94
Increase in net current assets or working capital		850,895.49
Increase in miscellaneous investments.....		<u>14,711.83</u>
		\$2,083,418.26
Deduct—Decrease in deferred charges....		<u>15,142.25</u>
Total as above.....		<u>\$2,068,276.01</u>

The inventories at the end of the year were subjected to the usual careful review and are valued, as in former years, on the basis of cost or market, whichever was lower. The improvement of \$850,895.49 in the working capital of the combined companies which now amounts to \$9,334,722.54 is represented chiefly by larger inventories, the increases in the stocks on hand being chiefly in finished goods \$207,833.31 and raw materials and supplies \$612,024.40. The stocks of rubber and cotton which were increased as a matter of policy are included at prices which are well below the current market prices.

The reserves for bad and doubtful debts are considered to be fully adequate for the purpose. Provision has been made in the accounts submitted herewith for all ascertained liabilities.

The provision of \$551,931.97 for accruing depreciation of buildings and equipment was calculated at the usual rates and the accumulated reserve for depreciation now stands at the substantial amount of \$7,326,499.60. After deducting these reserves, the net book value of the plant and buildings is only 39.33% of the gross book value of these assets, and the manufacturing equipment of the rubber plants, including installation, stands on the books at a net value of 14% of the gross book value.

With regard to the cash position at December 31st, it will be noted that the Companies had no bank indebtedness, that the cash amounting to \$840,924.08 was more than adequate to pay the total liabilities of \$673,122.37,

including the dividend amounting to \$162,073.80 on the Common stock for the last quarter which was not paid until January 15th, 1937. It should also be pointed out that the cash, call loans and Government Bonds aggregating \$3,554,020.41 were equivalent to 5.3 times the total current liabilities and that the ratio of total current assets of \$10,007,844.91 to current liabilities was nearly fifteen to one.

Dividends amounting to \$300,000.00 were paid on the 5% Preferred stock, and dividends to the holders of the Common stock amounted to \$643,150.00, representing four quarterly dividends aggregating \$2.50 a share. Of these dividends, that for the last quarter, amounting to \$162,073.80 appears on the Balance Sheet as a liability because it was not payable until January 15th. On January 2nd, 1937 your Board of Directors declared an extra dividend of \$2.50 per share on the Common shares payable on or before January 15th; as this extra dividend was not declared until after January 1st, 1937 it does not appear as a liability in the Balance Sheet submitted herewith. It will be noted that the regular dividends on the Preferred and Common shares for 1936 plus the extra dividend of \$643,150.00 referred to above aggregated \$1,586,300.00, which exceeded the net profits for 1936 by \$69,955.96.

It has been our practice to draw to the attention of the shareholders the size of the tax burden on your Company and, by inference, on industry as a whole. For the year 1936 the total amount of all taxes paid by or through your company amounted to \$1,119,378.32 which represented an increase of \$187,196.35, or 20% over those paid for 1935. Inasmuch as a large percentage of these taxes necessarily affects the laid down cost of products, an increase of 20% of our tax bill makes it all the more difficult for your company to retain its very valuable export business in the face of competition from other countries.

There has been a distinct improvement in business conditions in Canada in the year just passed and we anticipate that in the year 1937 there will be a further increase in the sale of rubber products, particularly in the domestic market. Your company should secure its full share of the available business in 1937.

We take this opportunity of expressing our thanks to our shareholders for their continued support and their co-operation in furthering the interests of the company and to the members of the organization in Office, Plant and Field for their loyal and efficient services rendered throughout the year.

A. G. PARTRIDGE,
President.

On behalf of the Board.

THE GOODYEAR TIRE & RUBBER

and SUBSIDI

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT AND WORKING ASSETS:

Cash	\$ 840,924.08	
Call loans and Government bonds at cost or market whichever is lower	2,713,096.33	\$3,554,020.41
Accounts receivable	\$1,842,839.27	
Less—Reserve for bad and doubtful accounts	195,971.99	1,646,867.28
Inventories at cost or market, whichever is lower:		
Finished goods	\$1,802,958.53	
Goods in process	325,900.22	
Raw materials and supplies	2,678,098.47	4,806,957.22
		\$10,007,844.91

MISCELLANEOUS INVESTMENTS:

Stocks, bonds and mortgages	93,674.06
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REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT:

12,465,239.34

DEFERRED CHARGES TO OPERATIONS:

Insurance, taxes and rents paid in advance	55,354.84
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\$22,622,113.15

COMPANY OF CANADA, LIMITED

COMPANIES

DECEMBER 31, 1936

LIABILITIES

CURRENT LIABILITIES:

Current accounts payable	\$ 189,719.97	
Reserve for income and other taxes	321,328.60	
Dividend on Common stock payable January 15, 1937	<u>162,073.80</u>	\$ 673,122.37

RESERVE FOR DEPRECIATION OF BUILDINGS, PLANT, MACHINERY AND EQUIPMENT:

7,326,499.60

CAPITAL STOCK:

Five percent Cumulative Redeemable Preferred Stock:

Authorized—

160,000 shares of \$50.00 each \$8,000,000.00

Issued and fully paid—

120,000 shares of \$50.00 each 6,000,000.00

Common Stock:

Authorized—

290,660 shares of no par value of which

257,260 shares have been issued \$ 128,630.00

Capital Surplus 463,068.00

591,698.00

SURPLUS:

Balance as at January 1, 1936 \$7,457,599.14

Profit for the year ending December 31, 1936, before providing for depreciation, but

after deducting income tax \$2,068,276.01

Less—Reserve for depreciation 551,931.97 1,516,344.04

\$8,973,943.18

Deduct—Dividends:

On five percent Preferred Stock \$300,000.00

On no par value Common Stock 643,150.00 943,150.00

8,030,793.18

\$22,622,113.15



PRICE, WATERHOUSE & CO.

Chartered Accountants

ROYAL BANK BUILDING

TORONTO, CANADA

February 1, 1937.

To the Shareholders of

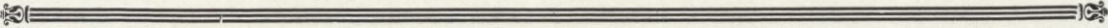
THE GOODYEAR TIRE AND RUBBER COMPANY
OF CANADA, LIMITED:

We have made an examination of the consolidated balance sheet of The Goodyear Tire and Rubber Company of Canada, Limited and its subsidiary companies as at December 31, 1936. In connection therewith, we examined or tested accounting records and other supporting evidence, and obtained all the information and explanations which we required; we also made a general review of the accounting methods and of the operating and income accounts for the year, but our audit of the detailed transactions was confined to limited tests thereof.

We satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Companies at cost or market prices, whichever were lower; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances and call loans were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at December 31, 1936 are included in the Balance Sheet.

In our opinion, based upon such examination, the annexed consolidated balance sheet is drawn up so as to exhibit a true and correct view of the state of the affairs of the combined companies as at December 31, 1936, and the results from the operations for the year ending on that date, according to the best of our information and the explanations given to us, and as shown by the books of the companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

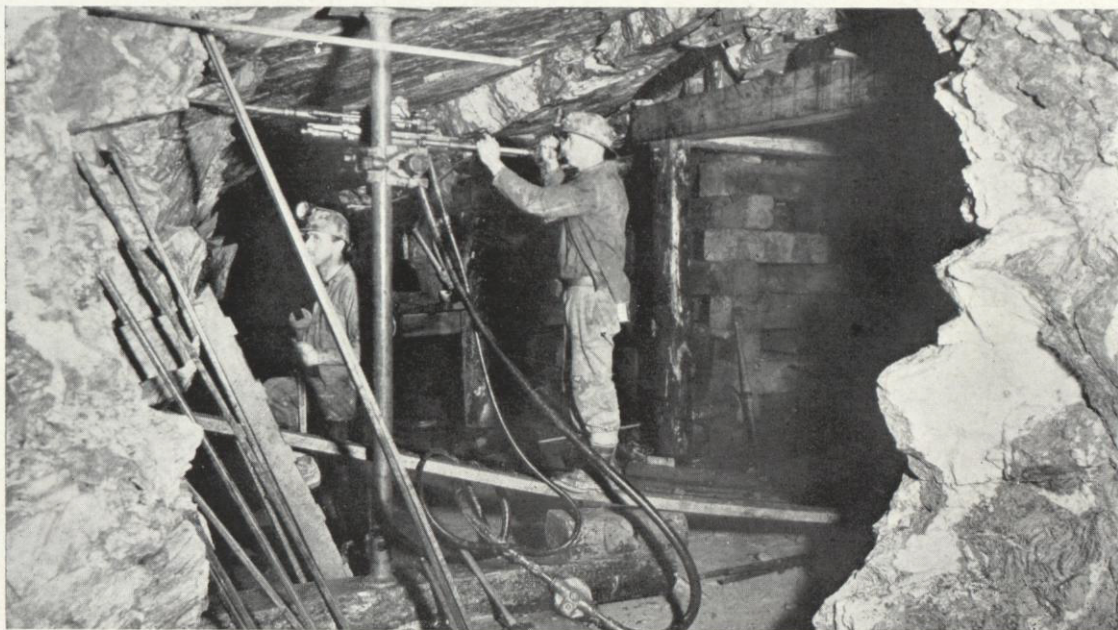


Mechanical Rubber Goods

A highly important part of the Goodyear business is the manufacture and sale of mechanical rubber goods. On this page are shown some Goodyear installations in basic Canadian industries. Goodyear manufactures all types of rubber products for industry's use. Belts include those for power transmission, conveyors, elevators and auto and truck fans. Hose is made for domestic and industrial uses of all kinds. A full line of packings, mats and mattings and rubber heels is also made by Goodyear in the factory at Bowmanville, Ontario.



A Goodyear Log-Sorter Conveyor Belt working in a Canadian paper-mill.



Goodyear Braided Cord Construction Air Drill Hose in a Northern Ontario Mine.

THE MOST COMPLETE .. 8 TIRES FOR PASSENGER

1 G-3 ALL-WEATHER TREAD HEAVY DUTY AUTO TIRE. Six full-width plies of Supertwist Cord topped with a tough, thick All-Weather Tread. The maximum in traction and grip. The finest tire for passenger service.

2 G-3 ALL-WEATHER TREAD STANDARD AUTO TIRE. Identical with the Heavy Duty All-Weather except that this tire has four plies of Supertwist Cord. The same tough, keen-edged full traction tread.

3 PATHFINDER HEAVY DUTY FOR AUTOMOBILES. A lower-priced tire with six full-width plies of Supertwist Cord and a thick tread with the All-Weather design.

4 PATHFINDER STANDARD TIRE FOR AUTOMOBILES. The All-Weather design on a body of four full plies of Supertwist. An extremely long mileage tire at a very low price and with the finest traction and grip.

5 SPEEDWAY HEAVY DUTY FOR AUTOMOBILES. A genuine 6-ply tire of Supertwist for the man who wants heavy duty protection and mileage at an amazingly low price.

6 SPEEDWAY STANDARD FOR AUTOMOBILES. An extremely low-priced 4-ply Supertwist tire with a tough tread. Guaranteed—as are all Goodyears—against road hazards and defects.

7 HEAVY DUTY STUDDED TREAD FOR CARS. A 6-ply Supertwist Tire with a tread of entirely new design for winter driving and back-road service. Superlative traction. No price premium.

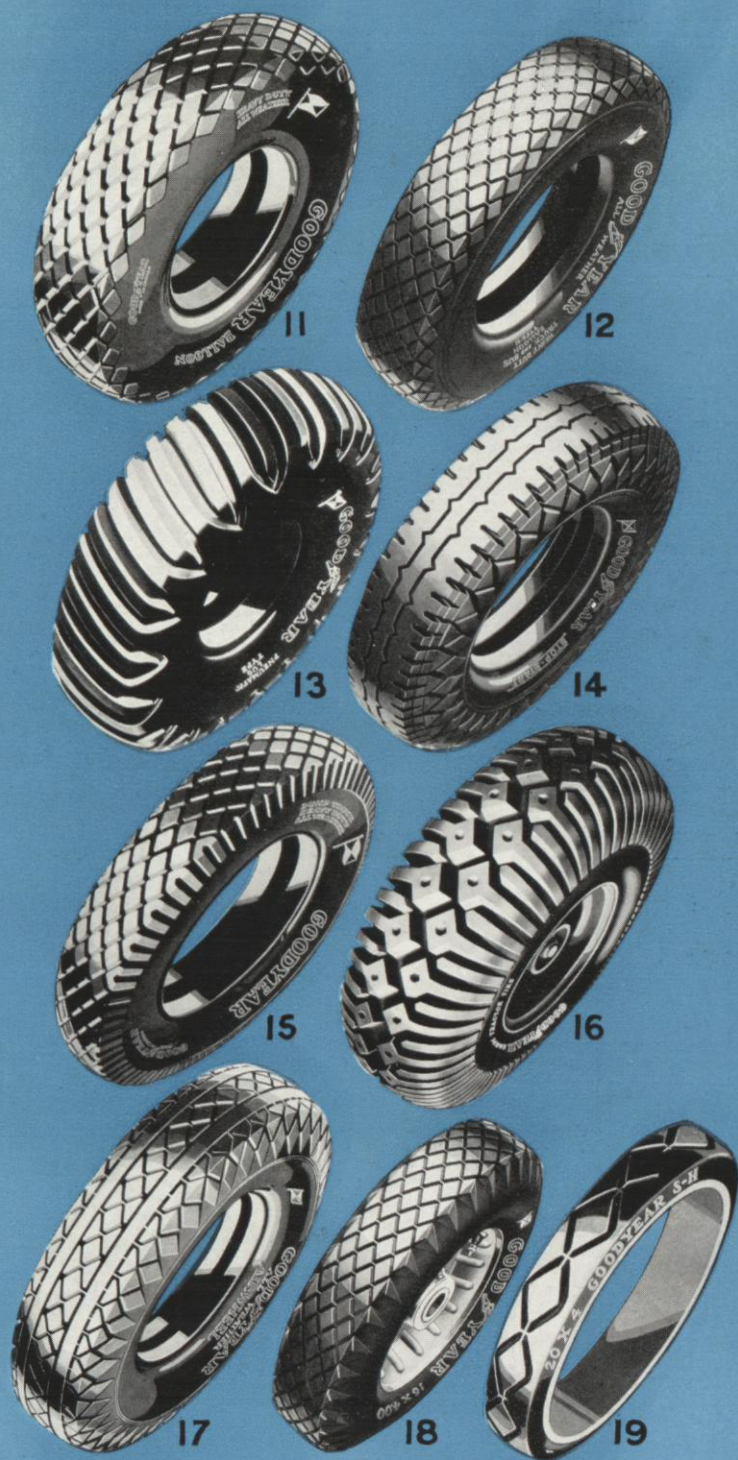
8 STANDARD STUDDED TREAD FOR CARS. Built with four plies of genuine Supertwist and with the new Studded design tread. A great tire for snow, mud, gumbo and "off-the-road" service.

9 PATHFINDER FOR TRUCKS. A very low-priced truck tire in balloon and high-pressure sizes. Made with a tough, thick, road-gripping tread, Supertwist Cords and two cord breaker-strips, sometimes called "plies under the tread."

10 HEAVY DUTY ALL-WEATHER TRUCK TIRE. A high-pressure truck tire with a full All-Weather Tread. For big loads at average speeds. Extreme traction, long mileage, freedom from trouble.



LINE OF TIRES IN CANADA CARS 11 FOR TRUCKS



11 G-3 ALL-WEATHER TREAD TRUCK-BUS BALLOON. A real All-Weather Tire with broad tread and a flexible Supertwist body that absorbs road-shocks and cushions the load and truck. A very long mileage tire. Built for high-speed service.

12 TYPE H ALL-WEATHER TREAD TRUCK-BUS BALLOON. A slight variation of the All-Weather Tread, with the diamonds buttressed at the base with submerged rubber ribs. Wears down slowly and gives maximum mileage and service.

13 THE LUG-TYPE TRUCK TIRE. A new Goodyear Tire for trucks which have to travel over bad spots or through places where there are no roads. The lugs bite into snow or mud, automatically clean themselves and take a fresh hold. Smooth riding and long wearing.

14 THE STOP-START TIRE. A special Goodyear Truck Tire for use on delivery trucks which are constantly starting and stopping. A very thick tread gives extremely long mileage. Body of trouble-free Supertwist Cords. This tire is particularly recommended for average speed service.

15 ALL-WEATHER TREAD DUMP TRUCK TIRE. Made for construction trucks and others which drive through excavations, quarries, sand pits, etc. Traction on the sides as well as on the tread.

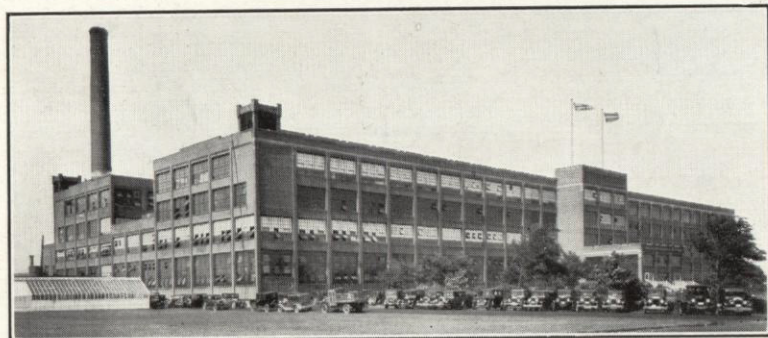
16 ALL-WEATHER TREAD FARM TRACTOR TIRE. A real All-Weather Tire for farm tractors. Saves fuel, reduces repair bills, works faster, pulls a bigger load, gives the driver more comfort and less fatigue.

17 ALL-WEATHER TREAD AIR-WHEEL FOR LIGHT DELIVERIES. Smartens up delivery jobs; enables them to go farther and faster; saves breakages and repair bills; reduces operating costs and gives plenty of mileage.

18 ALL-WEATHER PNEUMATIC INDUSTRIAL TIRE. For electric factory and warehouse trucks. Gives long mileage, quiet operation, economy and cushioning. Goodyear also makes pneumatic tires for hand-trucks, wheel-barrows, etc.

19 ALL-RUBBER INDUSTRIAL CUSHION TIRE. An all-rubber tire for service similar to that described under No. 18. Wears down slowly; gives maximum cushioning for this type of tire.

GOODYEAR FACTORIES



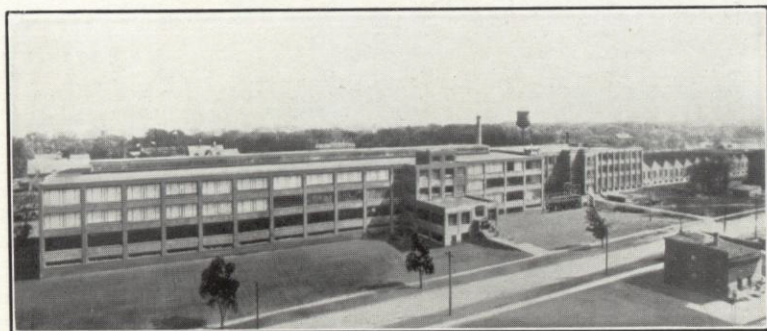
New Toronto
Ontario

Head office and plant, where automobile truck tires, accessories and cement are manufactured. Floor space 18.5 acres.



Bowmanville
Ontario

Mechanical goods plant, where belting, hose, soles, heels, mats and moulded goods are manufactured. Floor space 3.8 acres.



St. Hyacinthe
Quebec

Cotton mill, where the famous "Supertwist Cord" used exclusively in Goodyear Tires is manufactured. Floor space 9.1 acres.

The Goodyear Tire & Rubber Company of Canada, Limited

General Offices: NEW TORONTO, ONT.

Factories: { NEW TORONTO, ONT.
BOWMANVILLE, ONT.

Cotton Plant: ST. HYACINTHE, QUE.

BRANCHES

ST. JOHN, N.B.	83 Prince William St.
QUEBEC, QUE.	Cor. Crown and Fleury Sts.
MONTREAL, QUE.	679 St. James St. W.
TORONTO, ONT.	204 Richmond St. W.
WINDSOR, ONT.	410 Hanna Ave., E.
LONDON, ONT.	539 Richmond St.
WINNIPEG, MAN.	97 Higgins Ave.
REGINA, SASK.	Cor. Broad St. and 6th Ave.
SASKATOON, SASK.	Cor. 24th St. and Pacific Ave.
CALGARY, ALTA.	537—8th Ave. West
VANCOUVER, B.C.	Cor. Nelson and Hamilton Sts.

WHOLESALE DISTRIBUTORS

SYDNEY, N.S.—Cape Breton Battery & Vulcanizing Company.
HALIFAX, N.S.—Maritime Accessories Limited.
VICTORIA, B.C.—B. R. Ciceri & Co.

WHOLESALE WAREHOUSES

CHARLOTTETOWN, P.E.I.—A. Horne & Co.
MONCTON, N.B.—Sumner Tire Service.
OTTAWA, ONT.—G. H. Frisby.
KINGSTON, ONT.—Van Luven Bros.
OWEN SOUND, ONT.—Albert Jackman.
NORTH BAY, ONT.—White Bros.
TIMMINS, ONT.—Marshall-Ecclestone Ltd.
HAMILTON, ONT.—A. F. Dell.
KITCHENER, ONT.—M. Berg.
CHATHAM, ONT.—Murray Tire & Battery Service.
PORT ARTHUR, ONT.—J. A. Nicholson.
BRANDON, MAN.—Kerr's Limited.
YORKTON, SASK.—Ted's Tire Shop.
NORTH BATTLEFORD, SASK.—Northern Auto Parts.
PRINCE ALBERT, SASK.—Grosser & Glass Ltd.
SWIFT CURRENT, SASK.—Standard Motors Ltd.
EDMONTON, ALTA.—Taylor & Pearson Ltd.
GRANDE PRAIRIE, ALTA.—Grande Prairie Garage Co.
LETHBRIDGE, ALTA.—H. R. Carson Ltd.
NELSON, B.C.—Nelson Transfer Co. Ltd.
VERNON, B.C.—Page & Offord.

GOODYEAR